



2006-2008

Budget of the Commonwealth

Ernie Fletcher, Governor

Bradford L. Cowgill, State Budget Director



Budget in Brief

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PREFACE

The Budget of the Commonwealth for the 2006-2008 biennium is the financial plan for Kentucky State Government as enacted by the Regular Session of the 2005 General Assembly. It is published by the Office of the State Budget Director, Governor's Office for Policy and Management in accordance with KRS Chapter 48.

The 2006-2008 budget is presented in three volumes:

- **Volume I:** State Agency Program Budget Detail
- **Volume II:** Capital Projects
- **Budget in Brief:** Budget Summary Data and Appropriations Acts

These documents provide the detail to support the budget in legislative form as presented in the budget bill.

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ACKNOWLEDGMENTS

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**2006-2008 BUDGET OF THE COMMONWEALTH
GENERAL FUND SUMMARY**

	Revised FY 2006	Enacted FY 2007	Enacted FY 2008
RESOURCES			
Beginning Balance	468,879,400	544,874,100	434,187,000
Consensus Revenue Forecast	8,216,200,000	8,341,200,000	8,675,700,000
Tobacco Settlement - Phase I	91,300,000	88,800,000	94,000,000
Continuation of Revenue Measures		7,600,000	7,900,000
Other Resources	21,147,000	44,142,500	87,652,400
Small Business AMC Relief		(1,870,000)	(6,080,000)
Non-Participating Manufs. Assignment		35,000,000	20,000,000
Fund Transfers	211,197,100	132,833,800	84,589,200
Budget Stability Initiative Fund Transfers	62,483,500	0	0
Total Resources	9,071,207,000	9,192,580,400	9,397,948,600
Continued Appropriations Reserve			
Budget Reserve Trust Fund	28,764,800	119,015,100	151,815,100
Tobacco Settlement - Phase I	30,664,100	12,305,200	9,508,700
Executive Branch	21,548,700	7,288,300	3,167,600
Legislative Branch	11,869,100	6,828,400	5,299,600
Judicial Branch	8,539,500	6,411,600	4,351,600
Total Continued Appropriations Reserve	101,386,200	151,848,600	174,142,600
TOTAL RESOURCES	9,172,593,200	9,344,429,000	9,572,091,200
APPROPRIATIONS			
Executive Branch			
Regular Operating	7,994,729,800	8,377,670,200	9,014,177,200
Tobacco Settlement - Phase I	91,300,000	88,800,000	94,000,000
Special Bills (SB 82 in FY 2007 & 2008)	10,645,200	400,000	400,000
Current Year Appropriations	86,848,200	0	0
Other - Dedicated Revenues	55,122,400	2,200,000	2,200,000
Necessary Governmental Expenses	15,000,000	0	0
Budgeted Lapse	(14,500,000)	(57,000,000)	(43,000,000)
Lapses Due to Line-Item Vetoes		0	(11,576,000)
Budget Stability Initiative Lapse	(83,188,100)	0	0
Capital Projects	6,140,700	22,145,800	11,103,000
Total Executive Branch	8,162,098,200	8,434,216,000	9,067,304,200
Judicial Branch	232,613,900	244,588,600	279,376,500
Legislative Branch	41,370,500	46,788,800	50,182,200
TOTAL APPROPRIATIONS	8,436,082,600	8,725,593,400	9,396,862,900
BALANCE	736,510,600	618,835,600	175,228,300
Continued Appropriations Reserve			
Budget Reserve Trust Fund	119,015,100	151,815,100	142,324,800
Tobacco Settlement - Phase I	30,664,100	12,305,200	9,508,700
Executive Branch	21,548,700	7,288,300	3,167,600
Legislative Branch	11,869,100	6,828,400	5,299,600
Judicial Branch	8,539,500	6,411,600	4,351,600
Total Continued Appropriations Reserve	191,636,500	184,648,600	164,652,300
ENDING BALANCE	544,874,100	434,187,000	10,576,000

**2006-2008 BUDGET OF THE COMMONWEALTH
ROAD FUND SUMMARY**

	Revised FY 2006	Enacted FY 2007	Enacted FY 2008
RESOURCES			
Beginning Balance		1,493,500	
Consensus Revenue Forecast	1,169,703,400	1,223,125,400	1,239,614,400
Road Fund Revenue Initiative		15,559,900	22,317,500
TOTAL RESOURCES	1,169,703,400	1,240,178,800	1,261,931,900
APPROPRIATIONS			
Transportation Cabinet			
Revenue Sharing	240,939,000	241,886,100	244,276,700
Aviation	0	4,000,000	4,000,000
Highways	625,672,600	667,409,400	670,193,200
Vehicle Regulation	16,280,300	17,396,100	18,269,900
Debt Service	166,840,900	162,710,200	181,143,200
General Administration and Support	66,530,000	69,217,100	70,072,400
Capital Projects	4,248,000	9,035,000	6,795,000
Subtotal	1,120,510,800	1,171,653,900	1,194,750,400
Justice & Public Safety Cabinet			
Kentucky State Police	29,769,100	50,000,000	50,000,000
Vehicle Enforcement	12,999,000	13,974,900	13,881,500
Subtotal	42,768,100	63,974,900	63,881,500
Finance and Administration Cabinet			
Debt Service	2,505,000	0	0
General Administration	283,000	400,000	400,000
Commonwealth Office of Technology	125,000	0	0
Revenue - Capital Project	0	1,250,000	0
Revenue	1,418,000	2,000,000	2,000,000
Subtotal	4,331,000	3,650,000	2,400,000
Environmental Protection	0	300,000	300,000
Treasury	250,000	250,000	250,000
Homeland Security	350,000	350,000	350,000
TOTAL APPROPRIATIONS	1,168,209,900	1,240,178,800	1,261,931,900
ENDING BALANCE	1,493,500	0	0

**2006-2008 BUDGET OF THE COMMONWEALTH
TOBACCO SETTLEMENT - PHASE I SUMMARY**

	Enacted FY 2007	Enacted FY 2008
Revenue	175,000	175,000
 Rural Development - (50%)		
Governor's Office of Agricultural Policy	17,469,800	20,065,100
Finance and Administration Debt Service	17,842,700	17,847,400
Environmental and Public Protection - Natural Resources	9,000,000	9,000,000
Subtotal	44,312,500	46,912,500
 Health Improvement - (25%)		
Office of Drug Control Policy (KY ASAP)	1,816,800	1,923,400
Health and Family Services - Public Health - Smoking Cessation	2,215,600	2,345,600
Council on Postsecondary Education - Lung Cancer Research Program/Ovarian Cancer Screening	4,431,200	4,691,200
Environmental and Public Protection - Insurance (Kentucky Access)	13,692,700	14,496,000
Subtotal	22,156,300	23,456,200
 Early Childhood Development - (25%)		
Education - Early Childhood Development Services	1,388,400	1,508,400
Health and Family Services - Community Based Services	6,970,400	7,420,400
Health and Family Services - Human Support Services	100,000	100,000
Health and Family Services - Public Health	11,785,300	12,375,500
Health and Family Services - Mental Health/Mental Retardation	800,000	800,000
Health and Family Services - Children with Special Health Care Needs	312,100	352,000
Postsecondary Education - Kentucky Higher Education Assistance Authority	800,000	900,000
Subtotal	22,156,200	23,456,300
 TOTAL TOBACCO SETTLEMENT - PHASE I	88,800,000	94,000,000

**2006-2008 BUDGET OF THE COMMONWEALTH
PROGRAMS FUNDED BY LOTTERY RECEIPTS**

	Enacted FY 2007	Enacted FY 2008
Gross Lottery Estimate (Consensus Forecasting Group)	165,500,000	170,500,000
Less Literacy Development Programs:		
Collaborative Center for Literacy Development	1,200,000	1,200,000
Early Reading Incentive Fund	1,800,000	1,800,000
Total Literacy Development Programs	3,000,000	3,000,000
Net Lottery Revenues	162,500,000	167,500,000
Kentucky Educational Excellence Scholarship (KEES) 45%	73,125,000	75,375,000
Need-Based Student Financial Aid: 55%		
College Access Program	58,427,800	60,262,000
Kentucky Tuition Grant Program	29,170,100	30,085,900
Teacher Scholarships Program	1,777,100	1,777,100
Need-Based Student Financial Aid - Total	89,375,000	92,125,000

Note: Some of the above programs include fund sources other than Lottery receipts.

**2006-2008 BUDGET OF THE COMMONWEALTH
CAPITAL PROJECTS SUMMARY**

	ENACTED FY 2006	ENACTED FY 2007	ENACTED FY 2008	NEW AUTHORIZATION
SOURCE OF FUNDS				
Executive Branch				
General Fund		22,145,800	11,103,000	33,248,800
Restricted Funds	4,320,000	1,624,482,956	32,150,000	1,660,952,956
Federal Funds		179,399,084	22,190,000	201,589,084
Bond Fund		1,394,691,000		1,394,691,000
Road Fund		10,285,000	6,795,000	17,080,000
Agency Bond Fund		267,537,000		267,537,000
Capital Construction Surplus		4,107,000	1,045,000	5,152,000
Investment Income		10,900,000	10,810,000	21,710,000
Other Funds		249,138,000	17,868,000	267,006,000
Emergency, Repair Maintenance and Replacement		1,700,000		1,700,000
TOTAL SOURCE OF FUNDS	4,320,000	3,764,385,840	101,961,000	3,870,666,840
EXPENDITURES BY CABINET				
Executive Branch				
General Government		643,451,800	34,304,000	677,755,800
Commerce		154,080,000	15,925,000	170,005,000
Economic Development		37,500,000		37,500,000
Department of Education		73,075,000	675,000	73,750,000
Education Cabinet		18,092,000	400,000	18,492,000
Environmental and Public Protection		32,300,000	6,800,000	39,100,000
Finance and Administration		185,801,000	7,704,000	193,505,000
Health and Family Services		29,249,000	1,500,000	30,749,000
Justice and Public Safety		8,197,000	1,650,000	9,847,000
Postsecondary Education	4,320,000	2,572,965,040	26,208,000	2,603,493,040
Transportation		9,675,000	6,795,000	16,470,000
TOTAL EXPENDITURES	4,320,000	3,764,385,840	101,961,000	3,870,666,840

Capital Projects Overview

The Commonwealth's capital projects program for the Executive Branch for the 2006-2008 biennium is presented in this single volume – Volume II of the Budget of the Commonwealth. This overview section of the volume focuses on the capital projects priorities, policies, and fund sources for the next two years.

Total Bonded Indebtedness - Capital Project Vetoes by the Governor

The General Assembly's enacted budget included a total of \$2,380,824,000 in debt financing. Governor Fletcher vetoed \$370,296,000 incorporating 43 capital projects, reducing the total debt budgeted to \$2,010,528,000. This action represented the first time a Governor vetoed a capital project in an Appropriations Act. The Governor's veto messages are published in the Budget in Brief volume of the Budget of the Commonwealth publication. The \$2.0 billion still represents the highest level of debt ever appropriated in a biennial budget.

The \$2,010,528,000 in budgeted debt includes \$1,392,991,000 in bond funded capital projects supported from the General Fund, \$350,000,000 in Highway bonds supported from the Road Fund, and \$267,537,000 in bond funded capital projects to be financed from Restricted Funds.

Bond Financed Capital Policy Emphasis – Bonds for Education and Economic Development and Infrastructure

By far, the largest proportion of new bond-financed project activity, \$952.3 million (47 percent), is directed to education purposes, elementary and secondary and postsecondary education. Of that amount, \$714,235,000 is appropriated for postsecondary education purposes; the largest amount ever in a biennial budget.

Bond Project Implementation Timing Limitations

The Budget of the Commonwealth provides authorization in fiscal year 2007 for all General Fund-supported bond financed projects, but provides limits on the timing of the implementation of the projects resulting from the appropriation of less than a full-year's debt service for the majority of projects. The Budget of the Commonwealth provides a half-year's debt service in fiscal year 2007 and a full year's debt service in fiscal year 2008 for just four bond financed projects. Those projects will be able to be implemented during any part of fiscal year 2007. For eight bond financed projects (this includes the two Infrastructure for Economic Development pools and the Community Development pool), a full year's debt service is provided in fiscal year 2008; those projects will be able to be implemented after January 1, 2007. For the remaining 46 General Fund-supported bond financed projects, only a half-year's debt service is provided in fiscal year 2008; those projects will be able to be implemented after July 1, 2007.

Postsecondary Education

Collectively, the postsecondary education system received \$479,898,000 in new General Fund-supported bonds as well as \$234,337,000 in Restricted Fund-supported bonds for a total of \$714,235,000 in bonded indebtedness. The agency bond total represents the third consecutive budget with appropriations far in excess of recent historical standards. A continued and significant emphasis has been placed on facilities that support research. These facilities complement the significant research initiative launched as a part of the Postsecondary Improvement Act from the 1997 Special Session. Both the University of Kentucky and the University of Louisville received state support for their top projects – the completion phase of the Biological/Pharmaceutical Complex at the University of Kentucky (\$79.9 million in addition to the \$40 million appropriated by the 2005 General Assembly) and the Health Sciences Center Research Facility – Phase IV at the University of Louisville (\$69.7 million in addition to the \$39 million appropriated by the 2005 General Assembly). These projects were the highest research and economic development capital project priorities of the Council on Postsecondary Education. Major funding was also provided for eleven Kentucky Community and Technical College (KCTCS) projects, including: the Advanced Manufacturing Technology project at Gateway Community and Technical College (\$28 million), the Emerging Technology Center at the West Kentucky Community and Technical College in Paducah (\$16.5 million), the Science/Allied Health building at

Jefferson Community and Technical College (\$25.6 million), the Allied Health/Technical Education Building at the Laurel Campus of the Somerset Community College (\$14 million), the third phase of the new campus of the Ashland Community and Technical College (\$17.6 million in addition to the \$18 million previously appropriated, an expansion of the Central Regional Postsecondary Education Center in Elizabethtown (\$20 million), a new community and technical college facility in Washington County (\$14.5 million), an expansion of the facility in McCreary County (\$6.5 million). Other major postsecondary capital investments include: the Center for Health Education and Research at Morehead State University (\$23 million), a joint effort with the St. Claire Regional Medical Center, the Center for Informatics at Northern Kentucky University (\$35.5 million), the new Science building at Eastern Kentucky (\$54.1 million), support to complete the Hathaway Hall project at Kentucky State University related to the long-standing U.S. Office of Civil Rights agreement (\$4.9 million), phase three of the Science complex at Murray State University (\$15 million), and a new College of Education building at Western Kentucky University (\$35 million).

Other Postsecondary Education projects receiving agency bond appropriations include the remaining financing of the new Hospital Patient Bed Tower at the University of Kentucky (\$150 million in agency bonds), the completion of the Student Union Building (\$17.4 million), a new Parking Structure to support the Regional Special Events Center (\$15.4 million) at Northern Kentucky University, the construction of a New Residential College at Murray State University (\$13.1 million), the remaining funds necessary to completely renovate the Academic/Athletic #2 Complex at Western Kentucky University (\$25.5 million), and University of Louisville's Center for Predictive Medicine (\$13 million) which will match a \$22 million federal grant the University received from the National Institutes of Health for a Level 3 Regional Biosafety Laboratory.

Elementary and Secondary Education

The third largest commitment of support is for local school construction. The School Facilities Construction Commission (SFCC) was authorized by the 2005 General Assembly to make offers of assistance to local school districts for new construction and renovation projects. The 2006-2008 Budget of the Commonwealth recommends \$100 million in new bonds to honor these offers of assistance to local school districts. The 2006-2008 Budget of the Commonwealth also appropriated an additional \$50 million for additional offers of assistance.

Education Technology

The 2006-2008 Budget of the Commonwealth provides \$50 million for the K-12 school districts to provide new workstations to support instructional activities. It also supports a major advancement in the modernization of the Commonwealth's education information technology systems by providing \$8.9 million in bond funds and \$22 million in the operating budget to finance the Kentucky Education Network (KEN), providing a faster and higher volume transfer of data and electronic resources to schools connecting local school districts, universities and colleges, and other education agencies together in a single network; the establishment of a learning systems repository accessible electronically to share instructional content modules across all education agencies; and a data repository that allows comprehensive education information to be shared among agencies to better inform policy and decision making. Over \$15 million is provided to Kentucky Educational Television to convert to digital technology the master control, studio, and production capabilities.

Economic Development

Economic Development bond appropriations include \$17.5 million in new Economic Development bond funds and a \$20 million pool for the Commercialization and Innovation program's High Tech Construction and Investment Pool. Both of these efforts are underwritten by General Fund debt service. The \$17.5 million in bonds will recapitalize the Economic Development Bond pool that will be used to leverage state investments against private investments to promote the economic development of the Commonwealth. The High Tech Construction and Investment Pool supports the growth of innovation-based business and industry in Kentucky by targeting new economy niche areas where Kentucky might gain a competitive edge in the emerging technology economic sectors.

The 2006-2008 Budget of the Commonwealth proposes significant investments in tourism and quality of life projects including \$75 million in General Fund-supported bonds for a new Louisville Arena. This will provide partial funding to support a new Arena in downtown Louisville. The total anticipated cost of the arena complex will be approximately \$349 million. It will be paid for from 15 different sources of revenue, including naming rights, seat premiums, parking, and incremental tax dollars that occur due to the creation of the arena complex. The University of Louisville men's and women's basketball teams will be the primary tenants in the arena complex; concerts, family shows, and other major functions will be held as well. The arena is proposed to have 22,000 seats, 70 luxury suites, a practice facility, and the ability to convert the facility into an ice rink for a minor league hockey team and family skating shows. The 2006-2008 Budget of the Commonwealth proposes funding for a New Indoor Arena project at the Kentucky Horse Park (\$36.5 million in bonds). This project includes the construction of a new climate controlled indoor arena with seating for up to 6,000 people, enabling the Kentucky Horse Park to host the World Equestrian Games in 2010. This event has never been held outside of Europe. The Indoor Arena will bear fruit prior to 2010 by enabling the addition of equine events, expanding its show season and pursuing leading national championship equine shows that it has been unsuccessful attracting with its current facilities.

Infrastructure Development and Community Development

The Budget of the Commonwealth provides two Infrastructure for Economic Development pools: a \$150,000,000 bond funded pool for Non-Coal Producing Counties, and a \$100,000,000 bond funded pool for Coal-Producing Counties, the debt service for which is funded from coal severance revenues within the General Fund. These two pools will finance nearly 560 individual projects, most of which are water and sewer related projects. A Community Development pool financed with \$73,958,000 in bond funds and \$29,103,800 from the General Fund, a total of \$103,061,800, is appropriated to finance 298 community projects throughout the Commonwealth.

The Kentucky River Authority was budgeted a \$37.8 million pool (\$33.2 million in agency bonds and \$4.6 million in Restricted Funds) for critically needed repairs to several dams on the Kentucky River. Funding is provided to construct a new Dam 9 in Jessamine County, to provide the 20 percent state match for Federal Funds to replace Dam 10 near Boonesboro, and authorization to reconstruct Lock and Dam 3 in Owen County, and the Lock at Dam 4 in Franklin County.

Information Technology

Another significant investment is proposed for information technology programs and upgraded business systems. In contemporary society, governments, businesses, and individual citizens are dependent upon and daily users of information technology (IT) systems. State government IT systems need to keep pace. The IT system replacements recommended in this budget replace IT systems dating back ten, twenty, or more years. These include the remaining phases of the public safety communications infrastructure known as KEWS (Kentucky Emergency Warning System), which was developed in the wake of the 1974 tornadoes that rampaged through Kentucky (\$13 million in bonds plus \$16.2 million in Federal Funds); the first phase of a Comprehensive Tax System (\$23.2 million), the last of the Commonwealth's enterprise-wide legacy business systems to be replaced; and the completion of the TWIST system to safeguard children at risk (\$3.1 million matched by the same amount of Federal Funds).

Reduction of Leased Space

The 2006-2008 Budget of the Commonwealth includes funding to finish the renovation of the State Office Building (\$13.6 million) which will enable the Commonwealth to vacate 375,000 square feet of leased property. Design funding is recommended for the renovation of the Capital Plaza Tower which is necessary for the life of the building and will continue the progress of reducing the amount of leased space in Frankfort (\$4.9 million).

Maintenance Projects

The Budget of the Commonwealth also includes funding for maintaining and restoring state owned assets, and to protect existing investments in important facilities. Maintenance Pools finance construction projects

costing less than \$600,000 each and keep minor problems from escalating into more costly major maintenance or renovation needs. The 2006-2008 Budget of the Commonwealth provides a limited amount of bonds (\$10 million) for state agency maintenance pools. The Commonwealth's ongoing maintenance requirements need to be financed with cash sources (\$12 million). The cash funding is critical to enable the hundreds of small maintenance projects to be executed without the limitation that bonding imposes to fund only those projects with a useful life of at least 20 years. The Capital Planning Advisory Board endorses the emphasis on cash funding for maintenance. The bond funded maintenance pools include just a 10-year term to allow agencies to direct these funds to appropriate maintenance needs. Other key maintenance investments are: the Replacement of Chillers at the Oakwood mental retardation facility (\$2 million), the Pavilion Roof project at the Kentucky Fair and Exposition Center (\$1.2 million), and the next phase of the Capitol Complex Infrastructure improvements (\$1.1 million).

Life Safety-Protection of the Public

The Budget of the Commonwealth includes capital projects that protect life safety and improve the general welfare of Kentuckians, including: Upgrading Fire Safety at the Morehead Youth Development Center (\$1.5 million), Flood Control and Dam Repair projects (\$1.6 million), additional funding for Drinking Water and Wastewater Revolving Loan funds within the Kentucky Infrastructure Authority's budget (\$8 million in bonds, \$40 million in Federal Funds), security upgrades at the Kentucky History Center.

Other Notable Projects

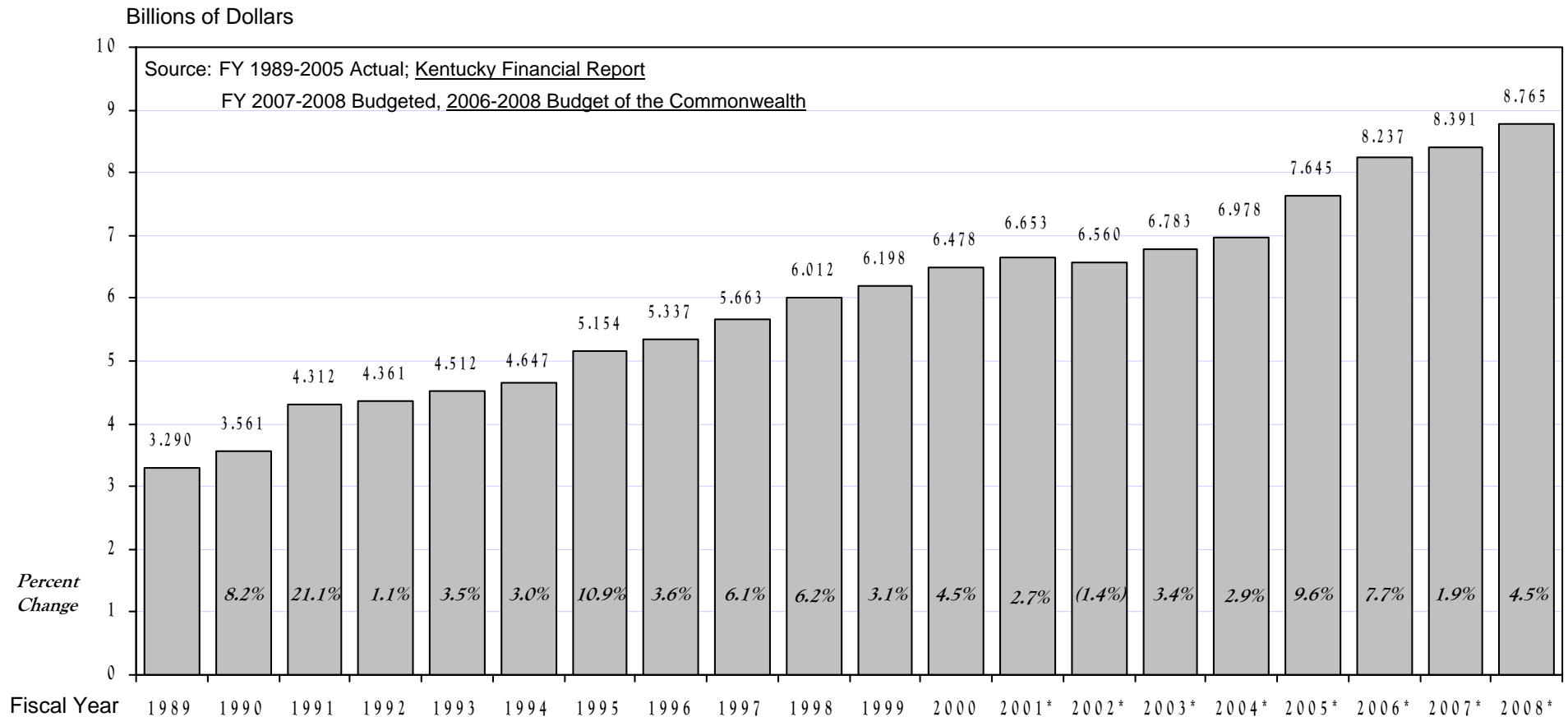
The 2006-2008 Budget of the Commonwealth includes funding to acquire 4,291 acres of currently leased property at the Department of Military Affairs' Wendell H. Ford Regional Training Center in Muhlenberg County. The current leaseholder plans to sell this property and its acquisition is critical to the Department's ability to maintain this area as a major military training center (\$4.5 million). Funding is also included to construct the Commonwealth's fourth and fifth Veterans' cemetery, the Northeastern Kentucky State Veterans' Cemetery, in Greenup County, with over \$8 million in Federal Funds, and a Veterans' cemetery in Southeast Kentucky, with \$6 million in Federal Funds.

NOTE: The preceding discussion does not include reference to the second phase of a bond program begun in the 2004-2006 biennium for interstate highway construction. This \$290 million GARVEE bond program is discussed in Volume I of the Budget of the Commonwealth documents in the Kentucky Transportation Cabinet description.

General Fund Revenue Receipts

Fiscal Years 1989-2008

(Billions of dollars – rounded)

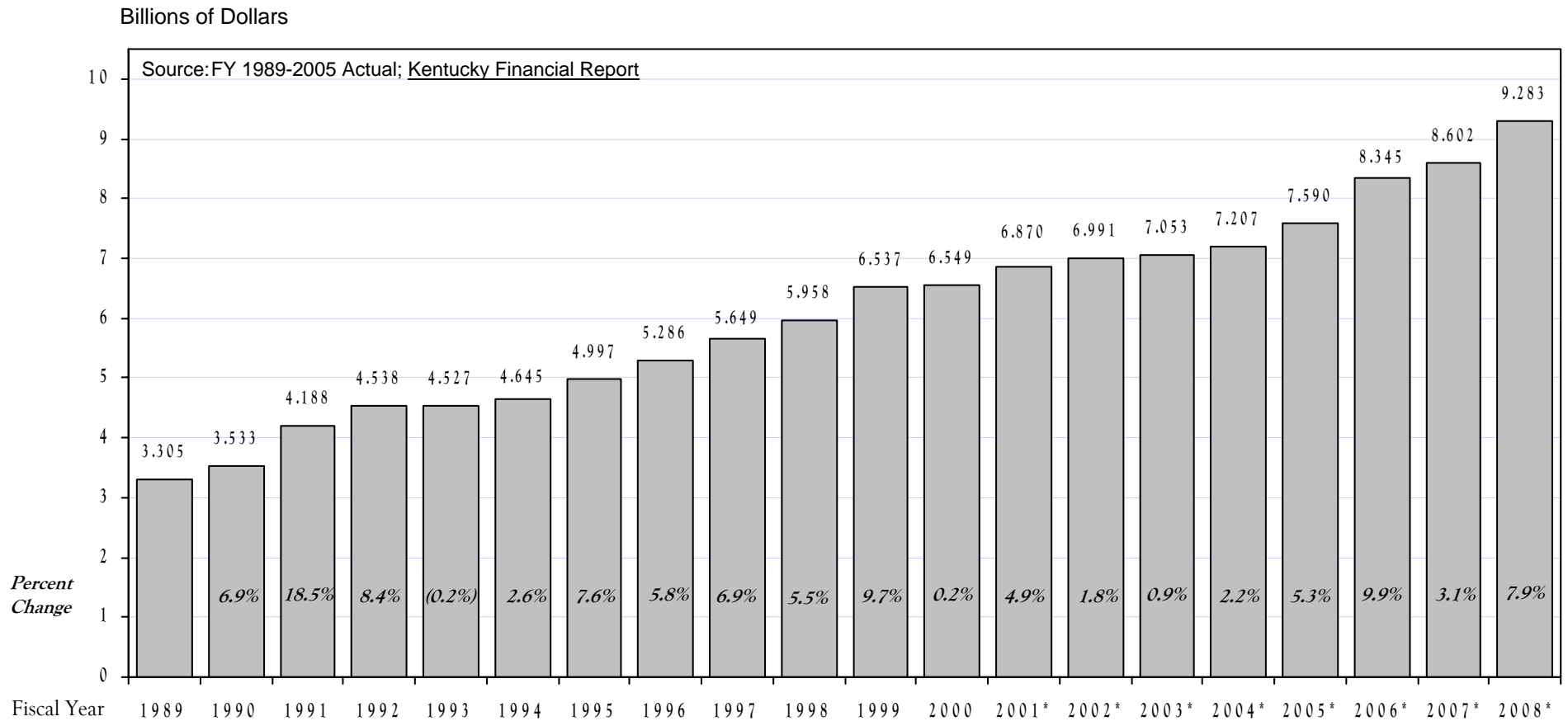


- Excludes Tobacco Settlement – Phase I Funds
- Excludes Fund Transfers

General Fund Expenditures

Fiscal Years 1989-2008

(Billions of dollars – rounded)

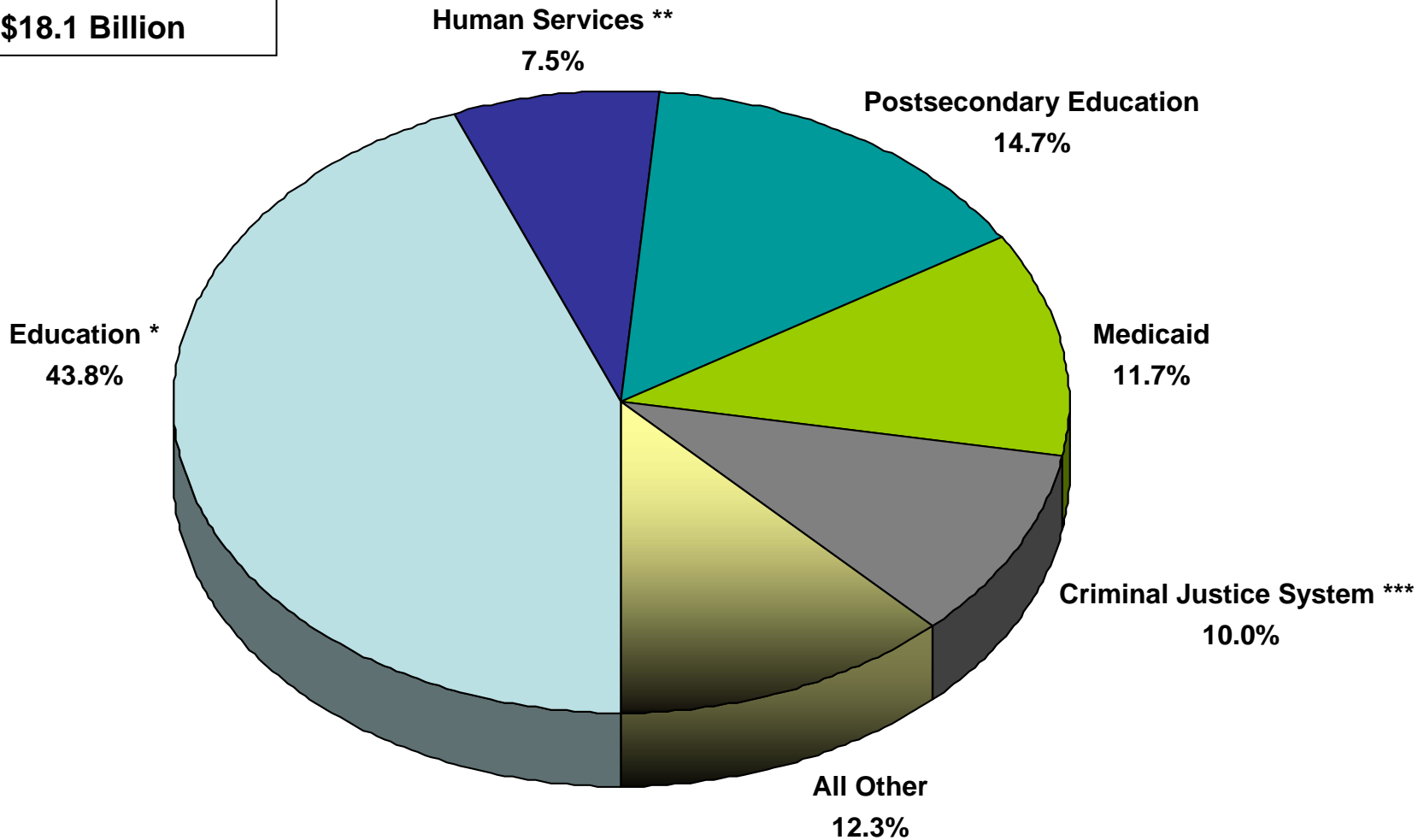


* Excludes Tobacco Settlement – Phase I Funds

2006-2008 Biennium

Distribution of General Fund Appropriations

Total = \$18.1 Billion



Excludes Tobacco Settlement – Phase I Funds

* Education includes the Department of Education, Teachers' Retirement System, School Facilities Construction Commission and the Education Professional Standards Board.

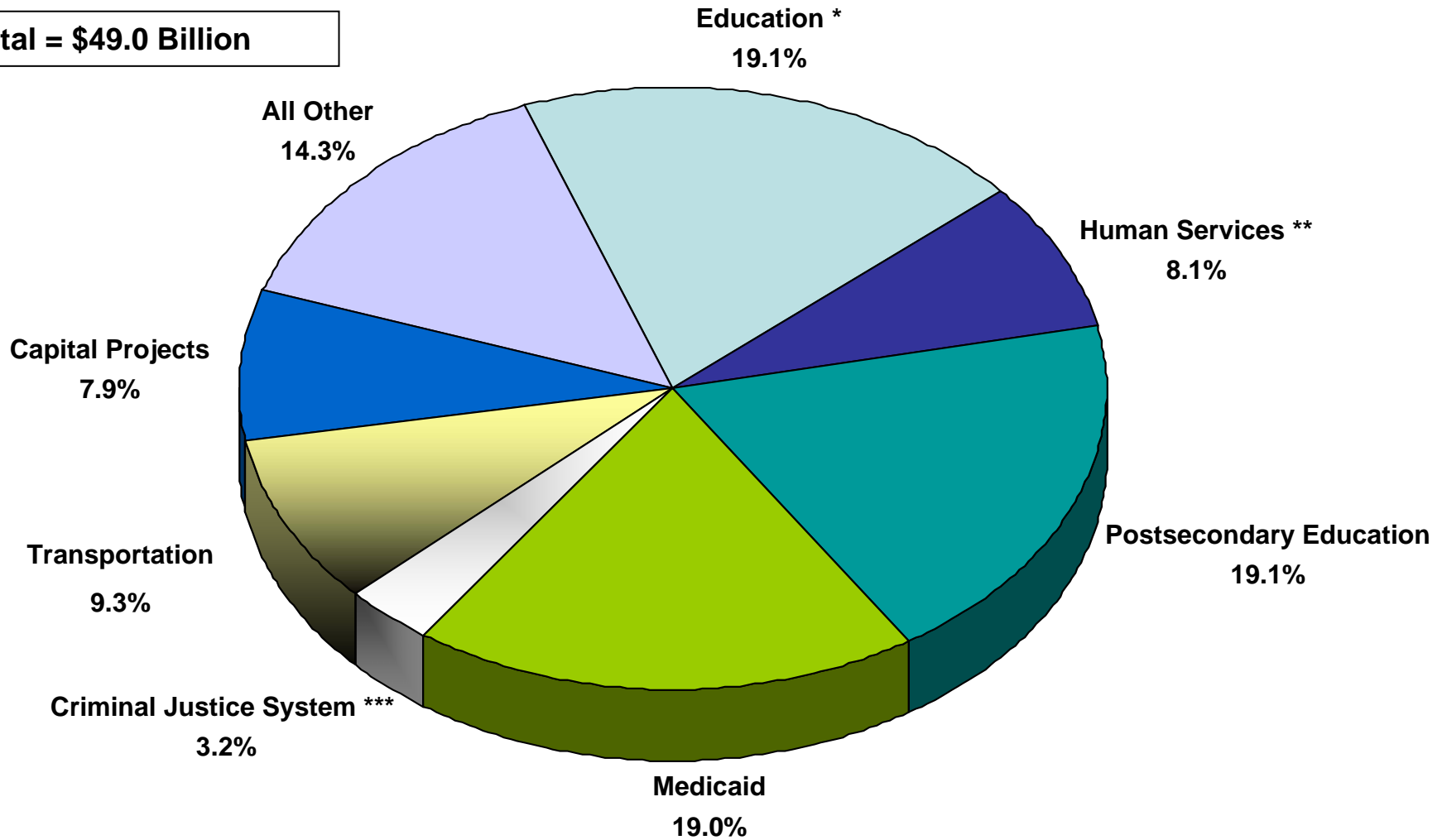
** Human Services include the Health and Family Services Cabinet (net of Medicaid).

*** Criminal Justice System includes the Unified Prosecutorial System, Justice and Public Safety Cabinet and the Judicial Branch.

2006-2008 Biennium

Distribution of All Funds Appropriations

Total = \$49.0 Billion



Excludes Tobacco Settlement – Phase I Funds

* Education includes the Department of Education, Teachers' Retirement System, School Facilities Construction Commission and the Education Professional Standards Board.

** Human Services include the Health and Family Services Cabinet (net of Medicaid).

*** Criminal Justice System includes the Unified Prosecutorial System, Justice and Public Safety Cabinet and the Judicial Branch.

2006-2008 BIENNIAL BUDGET
EXECUTIVE BRANCH AUTHORIZED PERSONNEL LEVELS

	Enacted Full Time	Enacted Part Time	Enacted All Other
Commerce Cabinet	2,243	33	1,614
Economic Development Cabinet	113	2	0
Department of Education	660	1	33
Education Cabinet	2,270	125	16
Environmental & Public Protection	3,076	6	161
Finance & Administration Cabinet	2,771	4	127
Cabinet for Health & Family Services	8,974	53	48
Justice & Public Safety Cabinet	8,106	9	32
Personnel Cabinet	245	2	3
Postsecondary Education	214	4	6
Transportation Cabinet	5,178	12	188
General Government			
Office of the Governor	74	4	2
Office of State Budget Director	43	1	1
Homeland Security	15	0	13
Veterans' Affairs	765	6	6
Governor's Office of Agricultural Policy	16	0	0
Military Affairs	321	19	262
Commission on Human Rights	31	0	0
Commission on Women	3	1	0
Governor's Office for Local Development	76	0	6
Kentucky Infrastructure Authority	11	0	0
Executive Branch Ethics Commission	4	2	0
Secretary of State	41	0	0
Board of Elections	18	0	0
Registry of Election Finance	17	0	0
State Treasurer	33	0	2
Attorney General	227	2	7
Commonwealth's Attorneys	377	148	1
County Attorneys	238	369	0
Auditor of Public Accounts	130	1	1
Agriculture	302	1	9
Personnel Board	6	0	0
Occupational & Professional Boards & Commissions	149	31	11
Board of Emergency Medical Services	18	0	0
Kentucky River Authority	10	2	0
School Facilities Construction Commission	3	0	0
Kentucky Retirement System	259	2	0
Teachers' Retirement System	87	26	0
General Government Total	3,274	615	321
TOTAL EXECUTIVE BRANCH	37,124	866	2,549

Commonwealth of Kentucky

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,263,310,800	9,803,912,400	10,584,408,900	8,669,047,600	9,343,735,900
Surplus Expenditure Plan	90,250,300				
Special Appropriation	993,000	565,000	565,000	-1,800,000	-26,890,300
Current Year Appropriation	96,848,200	69,800	72,800		
Continuing Appropriation	70,722,100	141,717,000	137,627,900	139,455,400	168,432,400
Salary Compensation Fund	4,838,400	5,298,900	5,323,300		
Base Deduction	-32,966,700				
Mandated Allotments	12,425,000				
Other	55,122,400	3,949,600	3,949,600	35,000,000	20,000,000
Total General Fund	8,561,543,500	9,955,512,700	10,731,947,500	8,841,703,000	9,505,278,000
Tobacco Settlement-Phase I					
Tobacco Settlement - I	108,600,000	91,678,200	91,807,700	88,800,000	94,000,000
Continuing Appropriation	30,664,100	12,310,000	9,508,700	12,305,200	5,508,700
Other	-43,900				
Total Tobacco Settlement-Phase I	139,220,200	103,988,200	101,316,400	101,105,200	99,508,700
Restricted Funds					
Balance Forward	500,307,784	270,479,885	251,415,985	195,787,100	126,823,700
Current Receipts	3,698,583,216	3,860,807,200	4,038,264,700	4,147,455,900	4,043,727,800
Non-Revenue Receipts	684,549,700	681,381,200	691,247,700	740,762,200	716,247,900
Fund Transfers	-143,048,300		50,000	-86,645,500	-46,253,900
Total Restricted Funds	4,740,392,400	4,812,668,285	4,980,978,385	4,997,359,700	4,840,545,500
Federal Funds					
Balance Forward	87,928,106	22,068,452	9,809,652	22,048,600	11,400,000
Current Receipts	7,168,841,763	7,097,723,100	7,325,919,500	6,947,784,800	7,115,759,900
Non-Revenue Receipts	215,581,409	217,170,900	217,259,400	216,608,800	216,662,100
Total Federal Funds	7,472,351,278	7,336,962,452	7,552,988,552	7,186,442,200	7,343,822,000
Road Fund					
Regular Appropriation	1,151,156,200	1,250,704,000	1,260,213,000	1,229,893,800	1,255,136,900
Surplus Expenditure Plan	28,578,100				
Current Year Appropriation	12,805,700				
Total Road Fund	1,192,540,000	1,250,704,000	1,260,213,000	1,229,893,800	1,255,136,900
Highway Bonds					
Balance Forward	232,141,599	367,619,400	379,769,400		
Current Receipts	80,410,901	23,290,000	14,170,000	350,000,000	
Non-Revenue Receipts	150,000,000	290,000,000			
Total Highway Bonds	462,552,500	680,909,400	393,939,400	350,000,000	
TOTAL SOURCE OF FUNDS	22,568,599,878	24,140,745,037	25,021,383,237	22,706,503,900	23,044,291,100
EXPENDITURES BY CLASS					
Personnel Cost	4,862,175,300	5,496,611,655	5,822,639,537	5,049,679,300	5,289,154,400
Operating Expenses	2,278,481,400	2,494,569,145	2,596,132,463	2,422,405,100	2,556,272,200
Grants, Loans or Benefits	12,405,138,100	13,198,111,300	13,874,044,150	12,444,875,100	13,009,448,800
Debt Service	646,477,600	747,397,100	846,934,500	755,491,800	840,130,600
Capital Outlay	178,719,300	185,389,800	177,371,200	172,464,600	169,402,000
Construction	1,750,938,100	1,246,666,100	1,224,368,800	1,545,923,200	915,627,900
TOTAL EXPENDITURES	22,121,929,800	23,368,745,100	24,541,490,650	22,390,839,100	22,780,035,900
EXPENDITURES BY FUND SOURCE					
General Fund	8,357,366,700	9,834,264,000	10,615,444,700	8,669,770,600	9,339,933,700
Tobacco Settlement-Phase I	114,562,600	94,479,500	95,575,500	95,596,500	99,508,700
Restricted Funds	4,544,605,300	4,561,258,200	4,747,121,000	4,870,536,000	4,747,462,200

Federal Funds	7,450,302,700	7,327,152,800	7,550,879,850	7,175,042,200	7,337,994,400
Road Fund	1,192,540,000	1,250,704,000	1,260,213,000	1,229,893,800	1,255,136,900
Highway Bonds	462,552,500	301,140,000	272,498,200	350,000,000	
TOTAL EXPENDITURES	22,121,929,800	23,368,998,500	24,541,732,250	22,390,839,100	22,780,035,900
EXPENDITURES BY UNIT					
Executive Branch	21,819,012,500	23,013,552,300	24,160,833,750	22,074,752,800	22,425,361,900
Legislative Branch	46,675,800	48,005,200	50,323,400	48,387,200	50,373,200
Judicial Branch	256,241,500	307,441,000	330,575,100	267,699,100	304,300,800
TOTAL EXPENDITURES	22,121,929,800	23,368,998,500	24,541,732,250	22,390,839,100	22,780,035,900



Executive Branch

- **House Bill 380**
- **House Bill 557**

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Executive Branch

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,994,729,800	9,478,396,500	10,234,179,300	8,377,670,200	9,014,177,200
Surplus Expenditure Plan	90,250,300				
Special Appropriation	428,000			-1,800,000	-26,890,300
Current Year Appropriation	96,848,200	69,800	72,800		
Continuing Appropriation	50,313,500	128,477,000	127,976,700	126,215,400	158,781,200
Salary Compensation Fund		460,500	484,900		
Base Deduction	-32,966,700				
Mandated Allotments	12,425,000				
Other	55,122,400	3,949,600	3,949,600	35,000,000	20,000,000
Total General Fund	8,267,150,500	9,611,353,400	10,366,663,300	8,537,085,600	9,166,068,100
Tobacco Settlement-Phase I					
Tobacco Settlement - I	108,600,000	91,678,200	91,807,700	88,800,000	94,000,000
Continuing Appropriation	30,664,100	12,310,000	9,508,700	12,305,200	5,508,700
Other	-43,900				
Total Tobacco Settlement-Phase I	139,220,200	103,988,200	101,316,400	101,105,200	99,508,700
Restricted Funds					
Balance Forward	481,735,884	256,801,085	244,436,085	181,215,500	118,951,000
Current Receipts	3,686,785,516	3,848,885,500	4,026,198,100	4,133,234,200	4,029,361,200
Non-Revenue Receipts	681,620,100	680,451,600	690,318,100	739,832,600	715,318,300
Fund Transfers	-143,048,300		50,000	-86,645,500	-46,253,900
Total Restricted Funds	4,707,093,200	4,786,138,185	4,961,002,285	4,967,636,800	4,817,376,600
Federal Funds					
Balance Forward	87,866,306	22,068,452	9,809,652	22,048,600	11,400,000
Current Receipts	7,165,866,863	7,095,953,200	7,324,488,000	6,946,014,900	7,114,328,400
Non-Revenue Receipts	215,581,409	217,170,900	217,259,400	216,608,800	216,662,100
Total Federal Funds	7,469,314,578	7,335,192,552	7,551,557,052	7,184,672,300	7,342,390,500
Road Fund					
Regular Appropriation	1,151,156,200	1,250,704,000	1,260,213,000	1,229,893,800	1,255,136,900
Surplus Expenditure Plan	28,578,100				
Current Year Appropriation	12,805,700				
Total Road Fund	1,192,540,000	1,250,704,000	1,260,213,000	1,229,893,800	1,255,136,900
Highway Bonds					
Balance Forward	232,141,599	367,619,400	379,769,400		
Current Receipts	80,410,901	23,290,000	14,170,000	350,000,000	
Non-Revenue Receipts	150,000,000	290,000,000			
Total Highway Bonds	462,552,500	680,909,400	393,939,400	350,000,000	
TOTAL SOURCE OF FUNDS	22,237,870,978	23,768,285,737	24,634,691,437	22,370,393,700	22,680,480,800
EXPENDITURES BY CLASS					
Personnel Cost	4,655,344,000	5,262,238,555	5,570,151,637	4,841,285,600	5,061,454,000
Operating Expenses	2,184,379,900	2,380,799,945	2,468,891,163	2,318,556,800	2,434,590,400
Grants, Loans or Benefits	12,405,138,100	13,198,111,300	13,874,044,150	12,444,875,100	13,009,448,800
Debt Service	646,477,600	747,397,100	846,934,500	755,491,800	840,130,600
Capital Outlay	176,734,800	178,085,900	176,201,900	168,620,300	164,110,200
Construction	1,750,938,100	1,246,666,100	1,224,368,800	1,545,923,200	915,627,900
TOTAL EXPENDITURES	21,819,012,500	23,013,298,900	24,160,592,150	22,074,752,800	22,425,361,900
EXPENDITURES BY FUND SOURCE					
General Fund	8,076,213,700	9,500,137,900	10,255,953,800	8,377,304,400	9,008,967,300
Tobacco Settlement-Phase I	114,562,600	94,479,500	95,575,500	95,596,500	99,508,700
Restricted Funds	4,525,877,700	4,541,708,000	4,727,144,900	4,848,685,800	4,725,186,100

Federal Funds	7,447,266,000	7,325,382,900	7,549,448,350	7,173,272,300	7,336,562,900
Road Fund	1,192,540,000	1,250,704,000	1,260,213,000	1,229,893,800	1,255,136,900
Highway Bonds	462,552,500	301,140,000	272,498,200	350,000,000	
TOTAL EXPENDITURES	21,819,012,500	23,013,552,300	24,160,833,750	22,074,752,800	22,425,361,900
EXPENDITURES BY UNIT					
General Government	966,279,800	1,209,643,900	1,308,738,100	932,450,000	996,209,200
Commerce	216,095,800	262,755,000	296,660,550	218,967,300	227,681,400
Economic Development	24,478,800	35,062,200	40,428,900	32,960,400	37,832,700
Department of Education	4,086,973,600	4,437,871,100	4,748,704,800	4,209,587,900	4,524,727,200
Education Cabinet	871,969,100	910,383,900	921,070,900	877,152,000	879,877,400
Environmental and Public Protection	618,170,300	646,726,600	658,698,800	626,007,500	632,368,300
Finance and Administration	567,561,100	650,496,000	679,216,100	641,684,800	646,413,700
Health and Family Services	6,618,961,600	6,868,526,200	7,151,695,700	6,555,756,700	6,760,191,800
Justice and Public Safety	751,815,700	968,327,800	1,014,781,400	794,065,000	822,831,100
Personnel	52,221,000	55,863,400	59,387,100	58,816,700	84,412,700
Postsecondary Education	4,313,332,400	4,682,700,200	4,994,686,500	4,542,598,700	4,826,567,400
Transportation	2,731,153,300	2,285,196,000	2,286,764,900	2,584,705,800	1,986,249,000
TOTAL EXPENDITURES	21,819,012,500	23,013,552,300	24,160,833,750	22,074,752,800	22,425,361,900